April 17, 2024
Intrinsic Value Team
Todd Asset Management

Todd Q1 2024 International Intrinsic Value Opportunity Review

	1Q 2024	1 Year	3 Year*	5 Year*	7 Year*	Since Inception* (07/01/14)
International IV Opportunity (Gross)	6.35%	23.49%	6.34%	8.30%	6.09%	3.67%
International IV Opportunity (Net)	6.13%	22.47%	5.46%	7.39%	5.21%	2.80%
MSCI ACWI ex-US (Net)	4.69%	13.26%	1.94%	5.97%	5.88%	3.84%
MSCI ACWI ex-US Value (Net)	3.40%	15.34%	4.58%	5.36%	4.83%	4.02%

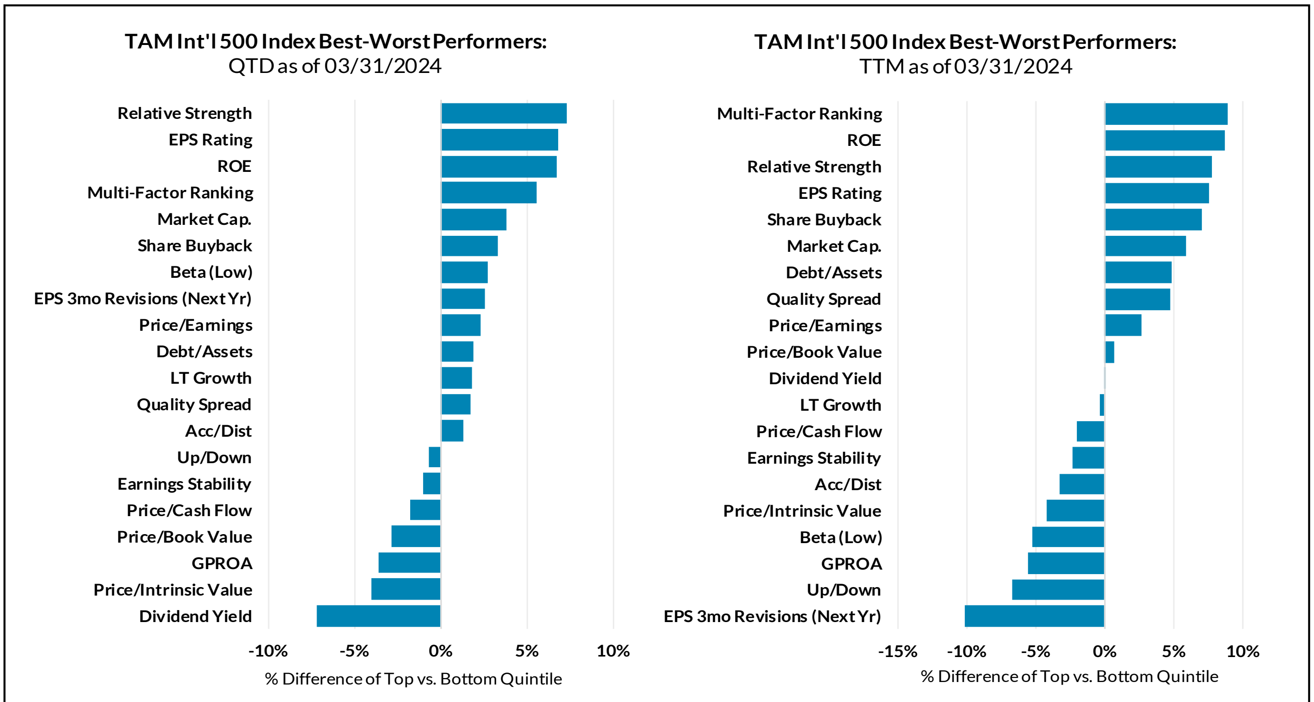
* *Annualized Total Returns. Please refer to the attached Performance Disclosure for further information.*

Performance Review

Our International IV Opportunity strategy finished the quarter ahead of the ACWI ex-US and the ACWI ex-US Value indices as markets continued to take on a more optimistic tone. Investors have gotten a lot more comfortable with the economic backdrop as central banks pivot policy to be more accommodative and manufacturing activity continues to recover from weak levels that persisted through most of last year. Markets broadened out in response, and we've seen a number of indices break out to new all-time highs (Japan, Europe, etc.). The IIVO benefitted from this shift as our discipline has highlighted Developed Markets and more economically sensitive sectors, particularly Energy and Materials.

Much attention has been paid to the evolving stances of global central banks (and rightfully so) as inflation moves closer to target in most regions and has allowed for policy to recalibrate toward less restrictive levels. Europe remains on track to cut rates in June while Japan officially exited their negative interest policy in March. (The Bank of Japan technically raised rates, but this was still a move toward normalization given the odd impact of negative interest rates.) Inflation has been less cooperative in the US coming in higher than expected for several months, which makes the case for rate cuts difficult at this time. However, as we've pointed out over the past few quarters, the powerful undertow of the global manufacturing cycle has been moving under the surface as well and is further supporting economic growth expectations and risk assets. JPMorgan's Global Manufacturing PMI bottomed last summer and moved back into expansionary territory this past quarter. Dr. Copper, as the industrial metal is affectionately called in the investment circles for having a "PhD in Economics", also seems to be confirming this continued recovery in global manufacturing activity after trending higher over the past few quarters. South Korean exports are another barometer of global growth that have turned higher recently. As we mentioned earlier, this has all largely driven the leadership of more economically sensitive areas of the market that our strategy has a nice presence in.

Factor Performance[1]



Source: Bloomberg, William O'Neill + Co. and Todd Asset Management

Our factor work showed further broadening in the first quarter as 13 of the 20 metrics we follow were additive. This compares to only 7 that worked in 2023. The preference in the quarter was geared toward both earnings and price momentum (e.g. Relative Strength and EPS Rating). Other Large cap and Quality metrics also outperformed. Value lagged Growth in the 1st quarter by a little more than 2% and was one if the worst performing factors as well with Dividend Yield and 3 of the 4 Value metrics (including Price/Intrinsic Value) ranking at the bottom of the list.

Performance Attribution

The strategy's outperformance during the first quarter was driven predominantly by stock selection within the Financial Services sector. The regions where we saw the largest outperformance were the UK and Pacific - ex Japan where Financials along with names benefitting from optimism around the European auto and industrial manufacturing rebound were additive. Emerging markets, the weakest regional performer during the quarter, underperformed due to weakness in some mining activities and headwinds due to a stronger dollar. Other regions were mixed with Industrials largely underperforming while Financials provided tailwinds. An underweight in Japanese equities also detracted from our performance during the quarter.

Our top five contributors to performance for this quarter were Banco Bilbao, NatWest Bancorp, Flex LTD., Intesa Sanpaolo, and Stellantis. Banco Bilbao rallied during the quarter with the rest of Argentinian equities as President Milei moves forward with his fiscal adjustment plan which saw inflation slow down and cuts to the main policy rate during the quarter. NatWest shares outperformed as European economic numbers began firming during the quarter providing positive sentiment around loan demand and a resilient consumer. This was paired with news that NatWest will begin walking down the UK government's 30% stake in the business this year which should lead to increased buybacks. Flex shares saw strength from some non-traditional end segments such as medical, auto and datacenter; hyperscale datacenter now accounts for >10% of revenues and this tends to be a higher margin business for Flex. Intesa benefitted from the same macro factors that saw NatWest outperform. Italy's largest bank also announced during the quarter that it planned to double capital return commitments via increased buybacks and dividends. Stellantis shares gained on the back of a positive earnings update where they surprised investors with a €3bn share buyback program to be completed during the remainder of 2024.

Our top five detractors from performance for this quarter were Vale, Randstad, Equinor, Adecco Group, and Logitech International. Vale shares saw weakness during the quarter as iron ore prices traded lower on the back of seasonally weaker production and sales. Randstad shares traded lower as the staffing markets continued to show weak volumes into 2024 after a lackluster 2023. Equinor underperformed as the market digested lower spot LNG prices in Europe. These lower LNG prices have more than offset increased production, dragging on shares. Adecco faced the same macro headwinds that Randstad faced in the temp employment market. Volumes haven't recovered and it continues to weigh on both of these companies. Logitech shares were down after giving a mixed update that raised FY24 revenue expectations but also forecasted weaker margins due to lower volumes, increased logistics costs due to Red Sea conflict, and a "mid-single digit" reduction in channel inventory.

We are always available via email or phone and welcome your calls. If you have any questions, please feel free to contact any of us for further information.

Curt Scott, CFA   Jack White, CFA   Jack Holden CFA   Shaun Siers, CFA

04/17/2024
MSCI ACWI ex-US (Net) – 292
MSCI ACWI ex-US Value (Net) – 294

Refer to Performance Disclosure on the following page for more information on the performance numbers presented. These notes are an integral part of this letter and should not be reproduced or duplicated without these notes.

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1. TAM Int'l 500 Index is a list of the 500 largest US listed international companies by market cap. This list is used for factor analysis where the index is ranked/sorted by a certain factor then divided into quintiles. Returns are then calculated on a monthly basis for each quintile.

TODD ASSET MANAGEMENT LLC
INTERNATIONAL INTRINSIC VALUE OPPORTUNITY COMPOSITE DISCLOSURE

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Todd Asset Management LLC ("TAM") is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The performance presented represents a composite of fully discretionary accounts invested primarily in large cap internationally domiciled, US traded equity securities using a rules-based process based on intrinsic value, financial strength, profitability strength, and market acceptance. The objective is to seek capital appreciation.

Todd Asset Management LLC, formerly Todd-Veredus Asset Management LLC began operations on June 1, 1998 as Veredus Asset Management LLC (VAM). Effective May 1, 2009, VAM combined with Todd Investment Advisors, Inc. (TIA). TIA (and its predecessors) was founded in 1967 by Bosworth M. Todd. Upon the combination of VAM and TIA in 2009, Veredus Asset Management LLC changed its name to Todd-Veredus Asset Management LLC (TVAM). On February 28, 2013, after a change in ownership involving some VAM unitholders, TVAM changed its name to Todd Asset Management LLC. The firm continues to offer the same strategies managed by individuals using the process founded under TIA.

The International Intrinsic Value Opportunity Composite contains fully discretionary accounts that use the MSCI ACWI ex-US Index as the benchmark. All fee-paying, fully discretionary portfolios under our management are included in a composite. Accounts are eligible for inclusion in the composite at the beginning of the first calendar quarter after the month of initial funding and upon being fully invested.

TAM claims compliance with the Global Investment Performance Standards (GIPS®). The Firm has been independently verified for the periods January 1, 2008 through December 31, 2023. VAM was verified for the period July 1, 1989 through December 31, 2007 by a previous verifier. TIA's compliance with the GIPS® standards has been verified for the period January 1, 1993 through April 30, 2009. The International Intrinsic Value Opportunity Composite has been examined for the periods July 1, 2014 through December 31, 2023. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. To receive additional information regarding TAM, including a GIPS Composite Report for the strategy presented, contact Monica Slyter at 1-888-544-8633, or write Todd Asset Management LLC, 101 South Fifth Street, Suite 3100, Louisville, Kentucky 40202, or mslyter@toddasset.com.

The performance information is presented on a trade date basis, both gross and net of management fees, net of transaction costs and foreign withholding taxes, and includes the reinvestment of all income. Net of fee performance was calculated using the applicable annual management fee schedule of 0.80% applied monthly. Actual investment advisory fees incurred by clients may vary. The currency used to calculate and express performance is U.S. dollars. All cash reserves and equivalents have been included in the performance.

The composite performance has been compared to the following benchmark. The index is unmanaged, and not available for direct investment; it includes reinvestment of dividends; it does not reflect management fees or transaction costs. The volatility of the index and a client account will not be the same.

MSCI ACWI ex-U.S. (net) Index is a float-adjusted market capitalization index that is designed to measure the combined equity market performance of developed and emerging market countries excluding the United States. The ACWI ex-U.S. includes both developed and emerging markets. For investors who benchmark their U.S. and international stocks separately, this index provides a way to monitor international exposure apart from U.S. investments. The net index considers the impact of tax withholdings on dividend income.

MSCI ACWI Value (net) Index is a float-adjusted index of securities exhibiting overall value style characteristics across both developed and emerging markets. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

Risks - Investments involve varying degrees of risk, and there can be no assurance that this product is suitable for your investment portfolio. The International Opportunity product is designed for long-term investors who are willing to accept short-term price fluctuations. This product generally holds 30 securities and is rebalanced every 3 months, thus it is more concentrated and may generate more investment turnover than other products. It is not required to be diversified by sector, and should be considered a more sector concentrated, aggressive application of the price to intrinsic value investment philosophy. There are general and market risks involved in this product, along with the risks of ownership in a foreign security (ADR, or similar securities) including political instability, confiscation of property, reduced legal protection, market liquidity, and adverse changes in currency exchange rates. Investing in emerging market securities can magnify these risks due to their smaller economies. There are times the overall market may not favor value-style investing, and it is possible the intrinsic value of the underlying stocks may never be realized.

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